# GOVERNMENT OF INDIA
# FINANCE AND COMPANY AFFAIRS
# LOK SABHA

UNSTARRED QUESTION NO:5004
ANSWERED ON:20.12.2002
INTEREST RATE ON KVP/NSC
PRAKASH V. PATIL

**Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:**

(a) whether the investments made by the Co-operative Societies at Karad (Maharashtr

(a)in KVP/NSCs are denied interest by the Post Offices and asked to take away only principal amount after certain period;

(b) whether these investments were made under Small Savings Drive launched by the Government and the post offices accepted and issue the certificates on these investments;

(c) if so, the reasons for denial of interest; and

(d) the corrective steps taken by RBI in this regard?

## Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO V. ADSUL)

a) to d) Institutions, including co-operative societies, are not eligible to invest in small savings schemes of the Central Government. Thus, amounts irregularly deposited in small savings instruments by co-operative societies have been refunded without interest.